

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE HUNTINGTON NATIONAL BANK, a national
banking association,

Plaintiff,

v.

Case No. 2:10-cv-10346

Hon. Avern Cohn

Magistrate Judge Mona K. Majzoub

BIG SKY DEVELOPMENT FLINT, LLC, a
Michigan limited liability company, BIG SKY
DEVELOPMENT GRAND RAPIDS, LLC, a
Michigan liability company, BIG SKY
DEVELOPMENT SALINE, a Michigan limited
liability company, IAN W. SCHONSHECK,
individually and AS TRUSTEE OF THE IAN W.
SCHONSHECK REVOCABLE LIVING TRUST
AGREEMENT DATED 12/11/90, AS AMENDED,
STEPHAN J. DACKIW, individually and AS
TRUSTEE OF THE STEPHAN J. DACKIW TRUST
AGREEMENT, DATED 6/22/99, RICHARD J.
HARTIGAN, individually and AS TRUSTEE OF THE
RICHARD J. HARTIGAN TRUST AGREEMENT,
DATED 9/19/96, HYMAN STOLLMAN, individually
and AS TRUSTEE OF THE HYMAN STOLLMAN
REVOCABLE LIVING TRUST, DATED 10/28/93,
jointly and severally,

Defendants.

BARRIS, SOTT, DENN & DRIKER, PLLC
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Attorneys for Defendants except for Hyman Stollman,
individually and as Trustee
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ERMAN, TEICHER, MILLER,
ZUCKER & FREEDMAN, P.C.
David H. Freedman (P40567)
Attorneys for Court-Appointed Receiver
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RECEIVER'S FIRST REPORT AND ACCOUNTING

Barry P. Lefkowitz, in his capacity as court-appointed Receiver, through his attorneys Erman, Teicher, Miller, Zucker & Freedman, P.C., states for his First Report and Accounting as follows:

I. Background

On February 4, 2010, the Court entered its Consent Order Appointing Receiver (Docket 6)(the “Receivership Order”) wherein Barry P. Lefkowitz was appointed the Receiver over the assets of Defendants Big Sky Development Flint, LLC (“Flint”), Big Sky Development Grand Rapids, LLC (“Grand Rapids”) and Big Sky Development Saline, LLC (“Saline” and together with Flint and Grand Rapids, the “Company Defendants”). Each of the Company Defendants owns land and a building consisting of a self-storage center operating under the name “Devon Self Storage.” Under the Receivership Order, the Receiver was appointed as receiver over each such self-storage center of the Company Defendants, respectively, consisting of the self-storage center owned by Flint located at 2325 South Dort Highway, Flint, Michigan (the “Flint Property”), the self-storage center owned by Grand Rapids located at 2345 29th St., SE, Grand Rapids, Michigan (the “Grand Rapids Property”) and the self-storage center owned by Saline located at 1400 East Michigan Avenue, Saline, MI (the “Saline Property”) (collectively, the “Receivership Property”).

II. Management of Business and Real Property

Upon his appointment and pursuant to his authority under the Receivership Order, the Receiver immediately took possession and control of the business affairs and assets of the Company Defendants in order to maintain, secure, manage and preserve the Receivership Property. The Receiver met with representatives of the Company Defendants in order to access and obtain possession of the necessary books and records and determine the matters that required

the Receiver's attention. The Receiver and/or his counsel have also communicated with certain creditors about the Receivership Order and the effect of same on creditor claims and actions.

Each of the self-storage centers are operating in the normal course of business under the control of the Receiver. In addition, each of the self-storage centers has been listed for sale by the Receiver through the brokerage firm of Marcus & Millichap (the "Broker"). On or about March 10, 2010, the Receiver entered into 9-month separate exclusive listing agreements with the Broker for the sale of the Receivership Property. The listing prices for the Flint Property, the Grand Rapids Property and the Saline Property are \$2,800,000, \$2,800,000 and \$4,000,000, respectively. The Broker would be entitled to a five (5%) percent commission on any such sale. To date, although there have been parties interested in the Receivership Property, no serious or substantial offers to purchase any of the properties have been submitted which would warrant consideration by the Receiver and Plaintiff The Huntington National Bank as the secured lender and mortgagee. The Receiver will continue to work with the Broker to market and sell the Receivership Property including adjusting the listing prices, if necessary, to track market values and conditions.

III. Summary of Receipts and Disbursements

A summary of the cash receipts and disbursements during the time of the Receiver's appointment through April 30, 2010 is attached hereto as Exhibit A.

Respectfully submitted,
ERMAN, TEICHER, MILLER,
ZUCKER & FREEDMAN, P.C.

By: /s/ David H. Freedman
David H. Freedman (P40567)
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(248) 827-4100

Dated: June 2, 2010
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jointly and severally,

Defendants.

CERTIFICATE OF SERVICE

The undersigned states that on June 3, 2010, he served a copy of the Receiver's First Report and Accounting upon the following parties via the Court's electronic service application.

- **Joel D. Applebaum**
japplebaum@clarkhill.com
- **C. David Bargamian**
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- **David H. Freedman**
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- **Erika D. Hart**
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- **Josh J. Moss**
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- **Julie B. Teicher**
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ERMAN, TEICHER, MILLER,
ZUCKER & FREEDMAN, P.C.

By: /s/ David H. Freedman

David H. Freedman (P40567)
Attorneys for Barry P. Lefkowitz,
Court Appointed Receiver
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Southfield, MI 48034
Tel: 248/827-4100
dfreedman@ermanteicher.com

DATED: June 3, 2010

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